

Planning In A Troubled Economy

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By

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1. INTRODUCTION: HOW THE ECONOMY EFFECTS PRIVATIZATION AND PLANNING

Financial issues are affecting many planners in the public and private sectors. It is becoming more common for public agencies to replace large portions planning departments by contracting out to private planning firms. The purpose of this study is to explore the short and long-term effects of contracting out large portions of public planning departments, as well as explore the ripple effects that issues and solutions regarding this matter can have on the future of planning.

Both public and private planners in the United States are facing this situation, and a solution needs to be found. Unfortunately due to mobility and funding limitations, this study will be focused on cities and firms within California; however examples from the rest of the United States are necessary for comparison.

The function of this study is to be a resource for public and private planning agencies to utilize for reference when coming up with solutions to budgeting issues. The prevention of such issues is preferred; however this study can also help develop adaptive solutions. This study can be utilized to gain a perspective on planning budget related issues, but like any issue that can affect the public, it is recommended that public agencies and private firms exercise caution and conduct individual research so that findings can be more relative to specific situations. Every city may face financial hardships; however every city has a different set of resources that can alter approaches to solutions.

One solution that is becoming more common is the use of private firms, not just to assist in planning projects, but to replace more than half of entire public planning agencies. Privatization has been controversial across the nation, with plenty of advocates for both sides to present cases of support. This study can be utilized for cities that are either considering or currently utilizing private planning firms in place of city planning departments. This study will provide a perspective on how public and private planning agencies are being affected by today's economy and if privatization is a viable option for solutions.

2. METHODOLOGY

In order to gain a better understanding of the debate of whether or not to utilize privatization as a means to replace local government planning, it is necessary to investigate the definitions of privatization and how they have been applied to society in the past. It is also necessary to explore methods of which privatization has been applied to local government planning today.

The following methods were utilized to determine the current and past implementations of privatizing public services; they each include a brief description of how they were utilized.

Books

There is a multitude of published material that offers definitions of “Privatization” and how it is connected to Local Governments. As extensive as the library at my university is, I was limited by the years of the publications available. Many dated back to 1992 or older with only a few that are from recent years (the more recent of the two is from 2007). However I found that besides the years they were published, the books are not that different from each other as far as foundation ideas. There are differences due to factors such as themes by the authors, the economy at the time of writing, and types of examples utilized. They also share the commonality of discussion of privatizing public services with no mention of privatizing the public service of planning itself.

Articles/Journals

I utilized on-line resources to help determine differences between public and private planners.

Some differences that were determined include:

Salary:

The resources provide a decent estimate of how much local government planners make on a yearly basis. The private sector is a bit more complicated. The yearly average is easily found, however the focus of my research is on privatization of planning in local governments, so I need the average amount private planners make fulfilling services for local governments only (American Planning Association). I need additional research did not yield the information needed and must be obtained by other means.

Benefits:

Planners that work for local and state governments are more likely to have access to health and retirement benefits, while private planners must set up their own packages. Public planners enjoy a wide variety of benefits at a low cost while private planners enjoy custom benefit packages at a higher cost. (California Department of Personnel Administration)

Surveys

In order to research the effects of today's economy on planning and the privatization of planning services, it was necessary to conduct a survey to get the most up to date information.

In order to gain a perspective that is the most inclusive, surveys were taken of both public and

private agencies that varied in size, locations, and services. Information gathered was related to what type and how many planners are on staff, as well to gain a basic profile of how today's economy is limiting planning projects.

A total of eighty surveys were sent to a combination of public and private agencies. There were three agencies that did not have working e-mail addresses leaving a total of seventy-six possible responses. After three weeks of waiting for responses only fifteen responses were received. A sample size of roughly 20% of my total possible responses makes it difficult to determine any dominant trends; however there is enough information to apply towards the study of privatization of public planning services.

Surveys from the research text were also utilized for this study. Valuable surveys have already been conducted and it is relevant to utilize them for this study. Surveys were utilized from "The Politics and Economics of Privatization: The Case of Wastewater Treatment" by John G. Heilman and Gerald W. Johnson, as well as from "Cities and Privatization: Prospects for the New Century" by Jeffrey D. Greene.

Copies of the surveys utilized as well as the results can be found in the appendix of this document (p. 41) along with copies of the surveys that are utilized from additional resources (p. 39).

Interviews

Jesse Vasternack (College Librarian):

Jesse provided tips on searching for information regarding privatization and public-private relationships. Jesse and I explored what resources to utilize for most useful information.

Interviews with survey takers:

Due to a majority of requests to remain anonymous, all survey and interview participants will be made anonymous.

Interviews included discussion of barriers that would prevent private planners replacing public planning entities entirely and some of the differences between public and private planning, including their roles in the future.

3. DEFINITIONS

1- Consultant:

A person who provides expert advice or services professionally.

2- Contracting:

The purchasing of services on a contract basis.

3- Private Planning Agency:

A firm or group of planners who are contracted for their services.

4- Privatization:

The method by which public services are contracted out to private entities.

5- Public Planning Agency:

A department or division of local or state government that provides planning services for public benefit.

4. PLANNING AND THE ECONOMY

The financial hardship that America is encountering is leaving many professionals, in both the public and private sectors, of the planning community in danger of losing their jobs. A combination of budget cuts and the elimination of redevelopment agencies will leave many planners without jobs and many plans will come to a halt. Funding to accomplish the essentials such as mandated housing element updates and approving permits has limited planners in their development of communities. Results from the survey have indicated that public agencies may not be letting go of planners as much as expected, however they certainly have put a hold on hiring.

This is not the first time the economy has been down, and it will not be the last; however it is important that we learn from each recession how to adapt and evolve to not make the same mistakes as we have in the past. A bright side that this research has yielded is that even though proposals are not being made, development plans and permits are being more carefully looked at so that when funding does become available, the projects will be ready to implement. This keeps the future of the community in mind while not requiring substantial funding. Trying to cutback on spending and freezing hiring may not be enough to keep public planning afloat. Many public services, besides planning, have been made available to the public through privatization.

This may be a solution that will work, however the current economy is leaving many public sector agencies with little choice. Communities will continue to need planning while funding is

continuing to be cut. If left unchecked, communities can grow out of control. Basic services need to be provided through planning and the government is running out of ways to fund local entities. This look at privatization can help interested parties focus on what planning requires and what can be trimmed away.

5. PRIVATIZATION AND LOCAL GOVERNMENT

Privatization is a tool that local governments have been turning to for years. There are different views on what privatization is defined as, however for the purposes of this study the most general and non-biased definition will be utilized: “The distribution of public goods by private means”.

There are many instances where privatization saves the city a lot of money while still providing services that are required for cities to properly operate. On the other hand there are services that cities provide which can be provided to the community at a cheaper cost than it would to privatize the service. Some common examples of public services that are privatized include vehicle towing and storage, legal services, tree trimming and planting, solid waste disposal, traffic signal maintenance, ambulance service, bus system operation, and data processing.

Table 5.1 Privatization of Selected Local Services, 1982-1997				
Service	Local Governments Contracting Out			
	1982	1988	1992	1997
Vehicle and Towing Storage	80%	80%	85%	83%
Legal Services	49	55	49	53
Residential refuse collection	35	36	38	49
Tree trimming and planting	31	36	32	37
Solid waste disposal	28	25	32	41
Street Repair	27	36	30	35
Traffic signal maintenance	26	27	25	24
Ambulance service	25	24	37	37
Bus system operation	24	26	22	30
Labor Relations	23	33	49	53
Data Processing	23	17	9	15
Sources: <i>Service Delivery in the 90s: Alternative Approaches for Local Governments</i> (Washington, D.C.:International City/County Management Association, 1989) and Elaine Morley, “Local Government Use of Alternative Service Delivery Approaches,” <i>Municipal Yearbook 1999</i> (Washington D.C.: International City/County Management Association), pp. 34-44.				

Table 5.1 was used from Jeffrey D. Greene’s book titled “Cities and Privatization: Prospects for a New Century”, his table breaks down the results indicating public services that have been privatized in the past. Besides vehicle towing and storage along with a few outliers, many services have been maintained by public agencies. A later section will discuss the options of only privatizing a percentage of services rather than all or nothing. It may be hard to determine what is considered a portion of services that are privatized or if it all or nothing when it comes to privatization. Table 5.2 indicates some historic trends in privatization in cities that are located throughout the nation.

Table 5.2 The Use of Privatization Compared, 1982 and 1992				
Location of Cities	Cases	Privatization Levels (1982)	Privatization Levels (1992)	Significant Difference
All Cities	596	12.9	27.8	Yes
North	90	15.2	24.9	Yes
South	187	10.1	26.9	Yes
Midwest	164	12.2	28.2	Yes
West	155	14.8	29.9	Yes
Note: Privatization levels are based on responses to two International City/County Management Association (ICMA) surveys. The scores are shown as means (averages). Scores are based on the percentage of ICMA-surveyed functions in which a city used private service delivery arrangements. The scores are intended to reflect the breadth of privatization among services. See Jeffrey D. Greene, “City Orientations and Privatization,” <i>Southeastern Political Review</i> 25 (June 1997), pp. 339-352				

It takes a multitude of services to operate and maintain any city. However the methods of which cities go about operating vary depending on factors such as availability of resources, population size and even demographics such as age and culture. A city sometimes does not have the resources to provide certain services without utilizing privatization, or maybe the number of residents does not justify the cost of the city funding certain services. There may be instances where the average age of community members is in an older bracket so more resources need to be directed at public transportation of the elderly, or maybe the culture of a community is to utilize bicycles rather than vehicles so resources need to be directed at bike

lanes and paths. There are certain levels of “city orientations” that can trigger different means of fiscal stress and activism. Table 5.3 indicates the orientation of cities and their corresponding mechanisms. The orientation of a city can have great effect on the decision of privatization.

Table 5.3 Table City Orientations and Privatization	
Orientations	Trigger Mechanisms
Survivalist Orientation	<p>Fiscal Stress and/or tax-service imbalance is present. Aspiration to conserve resources or recoup losses. Willing to use whatever techniques necessary to survive. Likely to use privatization.</p> <p>Fiscal Stress: High Activism: High</p>
Market Orientation	<p>Fiscal stress and/or tax-service imbalance is present. Aspiration to conserve resources. Favors the use of market forces. Likely to have high levels of privatization.</p> <p>Fiscal Stress: High Activism: Low</p>
Expansionist Orientation	<p>No fiscal stress or tax-service imbalance. Aspiration to move to higher plane among relevant cities. Not likely to have as high of levels of privatization as other typologies.</p> <p>Fiscal Stress: Low Activism: High</p>
Maintenance Orientation	<p>No fiscal stress or tax-service imbalance. No aspiration to move to higher plane among relevant cities. Takes only the action necessary to maintain its current status. Levels of privatization likely to vary.</p> <p>Fiscal Stress: Low Activism: Low</p>
Source: The city-level orientations were developed by Ann Bowman and Michael Pagano in “City Intervention: An Analysis of the Public Capital Mobilization Process,” <i>Urban Affairs Quarterly</i> 27 (March 1992), pp. 356-374.	

The approach to privatization has a large impact on a sense of community and cities need to be aware of this in their decision making process. Table 5.4 outlines the connection between city orientation and privatization. Although city orientations may have shifted since the time of this

Table 5.4 Privatization Levels Compared		
Orientation	Privatization Level	Cases (318 Cities)
Expansionist	13.6	50
Market	34.8	61
Maintenance	29.4	115
Survivalist	27.4	92
Source: Jeffrey D. Greene, "City Orientations and Privatization," <i>Southeastern Political Review</i> 25 (June 1997), pp. 339-352		

survey, the correlation between the levels of privatization and the orientation of a city still hold relevant. Table 5.4 can help indicate what kind of growth trends can be expected in the future. Although previous tables may indicate low levels of privatization, it can be seen that privatization is on the rise and does not show indication of slowing down.

Although cities place importance on defining what services need to be provided to communities, equal if not greater importance needs to be placed in defining is how to provide these services. And more so at what cost, will the city have to provide in order to achieve this? Sometimes the issues of cost does not only consist of financial means, but also of political means. It may be more financially sensible to contract out a service in order to save money while providing a necessary service, but will the community be happy with the service provider? What if they are not? Yes the city may be able to cancel a contract and find another provider, but what of the community morale of having to put up with bad service that should be simple common practice? Local government is only as strong as the community members supporting it. According to Heilman and Johnson, there are certain barriers that are perceived. Of these

five barriers, economic and political top the list. Both of these should be controllable but sadly are a lot of the time unpredictable. By no means is it being suggested that the choice between privatization and local government providing services is a simple one, but the more precautions taken in the decision process, the greater chances of having a happy community.

Although privatization has its critics, there are plenty of examples that support both sides of the debate of whether or not to utilize privatization. However the issue at hand is a slight but nonetheless important variation of the privatization debate. Health care, fire, and police services have been privatized before by local governments, but is planning a service that should be privatized for the public?

There are many examples of local governments allowing the use of private firms to complete portions of projects that cannot be completed in house or is more financially sensible to utilize outside resources. But what of the local governments that are utilizing private firms to replace their entire planning department? Planning is a service that is not as familiar to the privatization world as police or fire; however the same questions and concerns are raised at the idea of privatizing planning.

Is privatizing planning really cheaper? Who can the public address when questions or concerns are raised? Will the public receive the same or better quality of service? Will service be equal for the entire city? Additionally what kind of barriers can prevent privatization from being successful? Table 5.5 indicates what types of barriers were perceived in the privatization of

wastewater treatment works from “The Politics and Economics of Privatization: The Case of Wastewater Treatment” by John G. Heilman and Gerald W. Johnson.

The barriers indicated can be applied to the privatization in general for all public services.

Advocates for both sides of the case on privatizing public services have strong points that can be applied for the case on privatizing planning services. The following sections will discuss these points and apply them to the case at hand. These points can be used to gain multiple perspectives when approaching issues regarding privatizing planning services; however every local government should be responsible to conduct their own research when considering privatization in order to determine if privatization is a viable option.

6. THE CASE FOR UTILIZING PRIVATIZATION

Besides the general points that relate to privatizing public services, there are some key arguments that support privatizing planning services. The rest of this section will identify and review these arguments.

LESS COST:

By privatizing planning services a city can save money through multiple ways. Below are just a few examples of cost differences between private and public planning.

Benefits:

Planners that work for cities have benefits such as dental and health care, on top of retirement plans that the city has to pay for. Through privatization, cities only need to pay for the project that is contracted. A portion of the fees the firm gets paid goes toward the private planner's benefits package, however it is considerably less than paying the combined salary and benefits package to a public planner.

Salaries:

According to the American Planning Association, an average public sector planner working for a city can make somewhere in the range of \$55,000 to \$85,000 per year. By comparison, an average private sector planner working for a consulting firm can make between \$60,000 to \$100,000 per year(American Planning Association). This is a considerable difference, however by hiring a consultant a city only has to pay by the project and benefits and retirement plans do not have to be covered

Table 6.1 Predicted and Actual Construction Costs of Seven Privatized Wastewater Treatment Works (Estimated in Millions of Dollars)			
Plant Name	Actual	Predicted	Residual
Mount Vernon, Ill.	5.5	10.0	-4.5
Gilder Creek, S.C.	10.8	3.1	7.7
Auburn, Ala.	9.3	7.3	1.9
Pelham, Ala.	2.0	2.7	-0.7
Gilbert, Ariz.	14.9	11.2	3.7
Chandler, Ariz.	21.1	12.3	8.7
East Aurora, N.Y.	5.3	8.6	-3.3
Source: Heilman and Johnson, "The Politics and Economics of Privatization: The Case of Wastewater Treatment" 1992.			

Table 6.1 indicates the large fluctuations that can occur in calculating costs of construction. Likewise it can be assumed that planning projects also vary in cost, so specific savings cannot be calculated, however the following example should be considered: If the average public sector city planner is being paid \$55,000 and the average city has seven full time planners on staff (findings from survey), not taking into consideration that some of the seven planners may be at higher pay levels, a city can be spending around \$385,000 a year not including benefit or retirement packages. That's a significant amount that can be applied towards planning projects on a yearly basis. Due to the economy, many cities are focusing on accomplishing the basics, as far as planning is concerned. Permits, mandatory housing element updates, and plan updates are mainly the only projects being worked on. As mentioned, costs are difficult to calculate, however \$385,000 a year should be sufficient to cover the costs of private planning firms to accomplish these tasks. Additional points of interest help determine why privatized planning can be more affordable to cities.

Office Space:

The city also saves money by not having to maintain building space to provide the privatized planners workspace. Office supplies, furniture, computers, and plotters all cost the city a considerable amount of money to obtain and maintain. Not to mention the cost of energy to run the equipment during the week.

MARKET FORCES:

Market forces can have a larger impact on private firms compared to public sectors; however these forces may be what make privatization a viable alternative.

Efficiency:

It is widely argued that due to the competitive market, private firms are more efficient than public agencies. It makes sense in theory; a city planning division has no competition, while private firms must provide the same services at a lower cost to compete with other firms. Greater efficiency allows more projects to be completed for communities.

Variety:

The market can also encourage firms to take on projects that they generally do not specialize in. This can result in firms taking on a variety of projects that may require new ideas and practices which public sector agencies may not be as familiar with. A variety in projects also creates new perspectives and techniques that can be applied for future projects.

Design Oriented:

The market also forces firms to utilize greater design resources. Private firms have more funding that can be applied towards resources such as computers and design programs. These newer resources can lead to a more design oriented approach to planning documents. Community members tend to attract more to design oriented plans. The greater amount of attention that design oriented plans receives helps in the planning process by encouraging more community input.

Time:

By opting for privatized planning services, cities can possibly save a substantial amount of money while also receiving more attractive planning projects in a shorter amount of time. Even if the costs come out roughly the same, more attractive projects on shorter timelines can help decrease total project time from proposal to implementation. A community that sees projects implemented faster can physically notice the differences in their city and this can promote community involvement and pride.

7. THE CASE FOR UTILIZING PUBLIC AGENCIES

Although privatizing planning services offers compelling arguments, there are strong reasons for keeping planning services as a public agency responsibility.

PLANNING INFORMATION:

Public planners can offer more than private planners can regarding planning information that is specific to communities. Public planners have institutional knowledge about portions of the community that may not be as transparent to private planners. Every community is different. Though getting to know a community is certainly possible for private planners, public planners already have this knowledge. The community can be hesitant to provide institutional knowledge to outsiders.

Additionally the public planner can have a multitude of information in both digital and physical formats; the attempt to transfer this information to a private planner can result in the loss of some information. Trying to go back and retrieve this information can look bad in the eyes of the community. If the private planner cannot keep information organized and intact, it can be viewed as a lack of control on the private planner's part. Community members may be hesitant to cooperate with a planner who does not appear to have control over something as basic as community information.

PRIVATE PLANNING CONSTRAINTS:

There are several points of interest that should be brought to light regarding private planning firms. One issue is the belief that private planners plan for the money they are paid while public planners plan with the community in mind. This point will hold true to planners for both the private and public sectors; however there will be a reverse in this theory for other planners. Like any industry, some people love their jobs, others care more for the money and benefits their jobs bring them. People have their own motivation for their career choices, but in this economy one might not have much of a choice.

Another constraint of private planning is that private firms that are contracted by cities will not only have the city projects to complete at any one time. There might be several projects from a variety of clients that can take away from the focus of private planners. This can lead to lower quality products. Even if these projects receive the proper attention, it was mentioned in the previous section that private planners are more efficient and can finish a project in a shorter amount of time. It is easy to view this as a good thing in the eyes of those paying for it; however it should also be recognized that public planning could affect entire communities for a number of years, maybe decades. With funding being so low, it is important that money being spent is being strategically spent to improve communities the right way.

The final issue regards quality assurance. If members of the public have ideas, concerns, or questions, where do they go to get them answered? Will the city be responsible to answer the public? Does the private firm really want the public to come to their offices on a daily basis

when they have other projects going on? It can be difficult for organizers to determine which entity will be responsible for what and even more difficult to direct the public in the right direction to get their questions answered.

8. SOLUTIONS BEING UTILIZED TODAY

A survey was conducted to gain a view on what public and private sector planners are encountering in today's economy. Twenty-six public planning agencies of different population sizes, locations, and demographics were chosen to gain the most representative view. Thirty-five private planning firms that corresponded to the locations of the public planning agencies were chosen to gain relevant results. For comparison, twenty-six national private firms were chosen to determine if economy troubles are localized.

Two survey questionnaires were created, one for public agencies, and one for private firms. Invitations to participate in the survey were sent via e-mail on January 17, 2012 after receiving approval from the California Polytechnic State University Human Subjects Committee. Participants of this survey are to be kept anonymous for privacy.

In total, a combination of 87 public and private sector representatives were invited to participate in the survey. The responses consist of 7 public agencies, 6 private firms, and 2 national private firms. The following is a breakdown of the results:

Public Agencies Results (California):

One interesting point to notice is the number of "yes" responses to the questions regarding budget cuts and jobs compared to the number of "no" responses to the question asking if privatization is being used to replace public planning services. All

seven cities are facing budget cuts and six of the seven cities have planning jobs that are at risk due to their impacted budgets.

Table 8.1 Public Agency Survey Results							
	City A	City B	City C	City D	City E	City F	City G
How many members of your planning staff are currently Planner I?	1	1	2	2	1	1	0
Planner II?	1	2	5	3	2	1	1
Planner III?	3	2	13	3	1	1	1
Interns?	0	0	1	4	0	1	0
How many are part time?	2	0	2	13	0	1	0
Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)?	0	0	10	2	1	1	0
The city I work for is facing budget cuts or has recently.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Jobs of the planning staff are directly impacted due to financial issues (or have been recently).	Yes	Yes	No	Yes	Yes	Yes	Yes
The city I work for is considering utilizing private firms on a project basis in place of having a planning division.	No	No	No	No	No	No	No
I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.	No	No	Yes	No	Yes	No	No

Private Firm Results (California):

In comparison with the public agency results it is interesting to notice that even though public agencies may not be utilizing private firms as main sources for planning services that four of the six responses indicate that at least 50% of the work being done at private planning firms is for cities. Another point of interest is the number of private firms that are interested in discussing the economy and the effect it has on the privatization of planning, while public agencies generally indicated that they did not want to discuss this issue.

Table 8.2 Private Firm Survey Results						
	Private Firm A	Private Firm B	Private Firm C	Private Firm D	Private Firm E	Private Firm F
How many members of your staff are Assistant Planners?	30	0	2	2	3	1
Associate Planners?	35	2	3	16	25	1
Senior Planners?	50	2	4	23	22	1
Interns?	4	0	0	0	0	0
How many are part time?	24	1	2	4	6	0
Roughly what percentage of the work done by your firm is under contract with a city?	70	5	50	50	30	50-75
Budget cuts of our client cities have had a direct impact upon our firm.	No	No	Yes	Yes	Yes	Yes

Staff jobs in our firm are or have been at risk due to financial issues.	No	Yes	Yes	Yes	Yes	Yes
We are being utilized by a city as the main source of their planning services (or have been recently.)	No	No	Yes	No	No	Yes
I am interested in discussing my thoughts and opinions in greater detail regarding these issues.	Yes	Yes	No	Yes	Yes	Yes

Private Firm Results (National):

Similar to the results above, planning jobs for public and private sectors are being impacted by the economy. While one response indicated that around 85% of the work done by their firm is being conducted for a city, the other only indicated around 10%.

Table 8.3 National Private Firm Survey Results		
	National Private Firm A	National Private Firm B
How many members of your staff are Assistant Planners?	0	2
Associate Planners?	5	4
Senior Planners?	3	4
Interns?	0	0
How many are part time?	4	2
Roughly what percentage of the work done by your firm is under contract with a city?	85	10
Budget cuts of our client cities have had a direct impact upon our firm.	Yes	No

Staff jobs in our firm are or have been at risk due to financial issues.	Yes	Yes
We are being utilized by a city as the main source of their planning services (or have been recently.)	Yes	No
I am interested in discussing my thoughts and opinions in greater detail regarding these issues.	Yes	Yes

The number of responses received was not high enough to detect any major trends; however there are two main assumptions that can be made utilizing the responses.

1. All responses indicated that the economy is affecting the budget of the corresponding cities. All but one response indicated that budget cuts are impacting planning jobs. However all responses indicated that complete privatization of planning is not being considered or applied.

This indicates that budget issues are being addressed by the following:

- a. Cutting of other expenditures including cuts from other departments.
- b. Cutting back on hours through furloughs or utilizing volunteer hours.
- c. Increase in grant writing and obtainment.
- d. Redistribution of work load among all levels of planners.
- e. Cutting back on amount of approved projects and only working on what is mandatory.
- f. Partial privatization of planning services that cannot be provided cheaper in house.
- g. A combination of the above.

The list above identifies what cities are doing to address economic impacts on planning. It is difficult to determine what if any successful measures are being taken to preserve public planning due to the void of responses indicating detailed interviews.

2. Private firms are affected by the economy and public agencies. Although the public agency survey did not reflect the use of privatization, the private firm survey indicates that large portions of contracts originate from cities. More than 50% of projects being supported by city contracts may soon be dwindling and that is a hard void to fill.

9. CONCLUSION

This study has indicated the current and historical impacts the economy can have on privatization of local services. If the demand for services has become too great then privatization can be a great alternative if approached correctly. Likewise if costs for the city have become too great to provide a service then privatization, again can be a successful alternative. The decision to privatize any public service is a tough one. Planning is especially difficult due to the complexity of what services planning provide to communities.

Planning departments increase with greater demand. There are some portions of projects that can be cheaper to have completed by private firms, but that is just smart spending. If public planning becomes too expensive for cities then is privatizing the right solution? Consider the following example:

City A can no longer afford to pay for planning services with the City budget so the planning services are privatized to a local planning firm. Since the firm is local, there is little information that needs to be transferred besides files and projects and locals don't feel hesitant to participate in planning outreach. In short, the transition to a private firm is successful.

A few years go by and the economy is on the rise again. The contract the private firm has with City A is coming to an end. City A can either renew the contract with the private firm, or re-establish a planning department.

Is there a valid argument to re-establish a planning department? If private planning had been so successful then why is there a reason to re-establish a public planning department? What may not be easily realized is the position that City A is in. An opportunity is at hand that can alter the world of planning entirely.

In the research conducted there was a great selection of information on how privatization is either better or worse than public services. However there was no information regarding how privatization was better or worse than public services. What makes privatization so much more cost effective? Why can't public services adapt the same models of workflow? What makes public services preferable to private services? But most importantly, why can't the best of both worlds be joined? A hybrid model that consists of the efficiency and competition of private planning firms, with the information and community service orientation of public agency planners can yield successful planning while keeping planning costs down.

This is a goal that may not be easily achieved but highly desired. The hurdle of today's economy still remains. But there is no reason that steps towards overcoming the economy impacts cannot coincide with steps towards a better planning model. Competition can be utilized to increase efficiency while cutting back on costs in public planning agencies, while private planning firms can increase knowledge of local communities to increase the amount of contracts awarded. It does not have to be necessary to check if the grass is greener on the other side, nor is there a need for a fence at all. Private firms and public agencies can be kept

separate but the relationship between the two can be solidified through the desire for mutual gain.

By implementing a new planning model that can generate greater savings and incomes for the private and public sectors, the economy will become less of an impact in the future. Arguments may arise concerning the effect of population trends or housing trends can have on communities and ultimately the economy and planning. But there are always improvements that can be made in communities. When housing planning is not needed then resources can be directed to improvements. Research and case studies have not yielded any indications that a perfect community exists where all of the members are happy with their city and no improvements or new developments need to be made. That is the beauty of an imperfect society; it prevents us from being stuck in a world without change. A world that has no change has no planners.

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Appendix A: Tables

The following is a list of the tables that are utilized in this research study. They are placed in order of their appearance throughout the document. They are explained in greater detail within their context.

Table 5.1 Privatization of Selected Local Services, 1982-1997				
Service	Local Governments Contracting Out			
	1982	1988	1992	1997
Vehicle and Towing Storage	80%	80%	85%	83%
Legal Services	49	55	49	53
Residential refuse collection	35	36	38	49
Tree trimming and planting	31	36	32	37
Solid waste disposal	28	25	32	41
Street Repair	27	36	30	35
Traffic signal maintenance	26	27	25	24
Ambulance service	25	24	37	37
Bus system operation	24	26	22	30
Labor Relations	23	33	49	53
Data Processing	23	17	9	15
Sources: <i>Service Delivery in the 90s: Alternative Approaches for Local Governments</i> (Washington, D.C.:International City/County Management Association, 1989) and Elaine Morley, "Local Government Use of Alternative Service Delivery Approaches," <i>Municipal Yearbook 1999</i> (Washington D.C.: International City/County Management Association), pp. 34-44.				

Table 5.2 The Use of Privatization Compared, 1982 and 1992				
Location of Cities	Cases	Privatization Levels (1982)	Privatization Levels (1992)	Significant Difference
All Cities	596	12.9	27.8	Yes
North	90	15.2	24.9	Yes
South	187	10.1	26.9	Yes
Midwest	164	12.2	28.2	Yes
West	155	14.8	29.9	Yes
Note: Privatization levels are based on responses to two International City/County Management Association (ICMA) surveys. The scores are shown as means (averages). Scores are based on the percentage of ICMA-surveyed functions in which a city used private service delivery arrangements. The scores are intended to reflect the breadth of privatization among services. See Jeffrey D. Greene, "City Orientations and Privatization," <i>Southeastern Political Review</i> 25 (June 1997), pp. 339-352				

Table 5.3 Table City Orientations and Privatization	
Orientations	Trigger Mechanisms
Survivalist Orientation	<p>Fiscal Stress and/or tax-service imbalance is present. Aspiration to conserve resources or recoup losses. Willing to use whatever techniques necessary to survive. Likely to use privatization.</p> <p>Fiscal Stress: High Activism: High</p>
Market Orientation	<p>Fiscal stress and/or tax-service imbalance is present. Aspiration to conserve resources. Favors the use of market forces. Likely to have high levels of privatization.</p> <p>Fiscal Stress: High Activism: Low</p>
Expansionist Orientation	<p>No fiscal stress or tax-service imbalance. Aspiration to move to higher plane among relevant cities. Not likely to have as high of levels of privatization as other typologies.</p> <p>Fiscal Stress: Low Activism: High</p>
Maintenance Orientation	<p>No fiscal stress or tax-service imbalance. No aspiration to move to higher plane among relevant cities. Takes only the action necessary to maintain its current status. Levels of privatization likely to vary.</p> <p>Fiscal Stress: Low Activism: Low</p>
<p>Source: The city-level orientations were developed by Ann Bowman and Michael Pagano in "City Intervention: An Analysis of the Public Capital Mobilization Process," <i>Urban Affairs Quarterly</i> 27 (March 1992), pp. 356-374.</p>	

Table 5.4 Privatization Levels Compared		
Orientation	Privatization Level	Cases (318 Cities)
Expansionist	13.6	50
Market	34.8	61
Maintenance	29.4	115
Survivalist	27.4	92
Source: Jeffrey D. Greene, "City Orientations and Privatization," <i>Southeastern Political Review</i> 25 (June 1997), pp. 339-352		

Table 6.1 Predicted and Actual Construction Costs of Seven Privatized Wastewater Treatment Works (Estimated in Millions of Dollars)			
Plant Name	Actual	Predicted	Residual
Mount Vernon, Ill.	5.5	10.0	-4.5
Gilder Creek, S.C.	10.8	3.1	7.7
Auburn, Ala.	9.3	7.3	1.9
Pelham, Ala.	2.0	2.7	-0.7
Gilbert, Ariz.	14.9	11.2	3.7
Chandler, Ariz.	21.1	12.3	8.7
East Aurora, N.Y.	5.3	8.6	-3.3

Table 8.1 Public Agency Survey Results							
	City A	City B	City C	City D	City E	City F	City G
How many members of your planning staff are currently Planner I?	1	1	2	2	1	1	0
Planner II?	1	2	5	3	2	1	1
Planner III?	3	2	13	3	1	1	1
Interns?	0	0	1	4	0	1	0
How many are part time?	2	0	2	13	0	1	0
Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)?	0	0	10	2	1	1	0
The city I work for is facing budget cuts or has recently.	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Jobs of the planning staff are directly impacted due to financial issues (or have been recently).	Yes	Yes	No	Yes	Yes	Yes	Yes
The city I work for is considering utilizing private firms on a project basis in place of having a planning division.	No	No	No	No	No	No	No
I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.	No	No	Yes	No	Yes	No	No

Table 8.2 Private Firm Survey Results						
	Private Planning Firm A	Private Planning Firm B	Private Planning Firm C	Private Planning Firm D	Private Planning Firm E	Private Planning Firm F
How many members of your staff are Assistant Planners?	30	0	2	2	3	1
Associate Planners?	35	2	3	16	25	1
Senior Planners?	50	2	4	23	22	1
Interns?	4	0	0	0	0	0
How many are part time?	24	1	2	4	6	0
Roughly what percentage of the work done by your firm is under contract with a city?	70	5	50	50	30	50-75
Budget cuts of our client cities have had a direct impact upon our firm.	No	No	Yes	Yes	Yes	Yes

Staff jobs in our firm are or have been at risk due to financial issues.	No	Yes	Yes	Yes	Yes	Yes
We are being utilized by a city as the main source of their planning services (or have been recently.)	No	No	Yes	No	No	Yes
I am interested in discussing my thoughts and opinions in greater detail regarding these issues.	Yes	Yes	No	Yes	Yes	Yes

Table 8.3 National Private Firm Survey Results		
	National Private Planning Firm A	National Private Planning Firm B
How many members of your staff are Assistant Planners?	0	2
Associate Planners?	5	4
Senior Planners?	3	4
Interns?	0	0
How many are part time?	4	2
Roughly what percentage of the work done by your firm is under contract with a city?	85	10
Budget cuts of our client cities have had a direct impact upon our firm.	Yes	No
Staff jobs in our firm are or have been at risk due to financial issues.	Yes	Yes
We are being utilized by a city as the main source of their planning services (or have been recently.)	Yes	No

I am interested in discussing my thoughts and opinions in greater detail regarding these issues.	Yes	Yes
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Appendix B: Survey Information

Request to Participate in Survey E-Mail

The following e-mails were sent to public agencies and private firms requesting participation in the survey for this research study. The only difference between the public agency and private firm e-mails were the attached surveys, which corresponded to relevant recipient.

Public Agency and Private Firm E-Mail:

Greetings,

I am conducting a study for my senior project at California Polytechnic State University in San Luis Obispo and I would be greatly appreciative if you would assist in the completion of my project by giving a few minutes of your time.

Attached is a consent form approved by the university that outlines the nature of my project. After reviewing the consent form please fill out the attached survey and return when you are done via e-mail.

If you have any questions, concerns, or comments please feel free to contact me at anytime.

Thank You

Brian Spaunhurst
City and Regional Planning Undergraduate
College of Architecture and Environmental Design
California Polytechnic State University, San Luis Obispo
559-248-6457
bspaunhu@calpoly.edu

California Polytechnic State University Human Subjects Committee Survey Approval

The following letter indicated approval from the California Polytechnic State University Human Subjects Committee.

Dear Brian,

I am pleased to inform you that your proposal, "Planning in a Troubled Economy", has been conditionally approved by the [Cal Poly](#) Human Subjects Committee under the criteria for "Minimal Review".

The condition of approval is that you use the attached informed consent form. If the wording in the attached document is unacceptable to you, please contact me so that we can work out a compromise BEFORE you recruit subjects for your survey.

Thank you for following the Cal Poly Human Subjects Committee review procedures, and best wishes for successful senior project research.

Sincerely,

Steven C. Davis, Ph.D., RCEP
Chair, Cal Poly Human Subjects Committee

Approved Consent Form

The following approved consent form was attached to all e-mails sent out requesting participation in the survey.

Informed Consent Form

INFORMED CONSENT TO PARTICIPATE IN: Planning in a Troubled Economy

A research project on the effects of decreased funding on planning is being conducted by Brian Spaunhurst in the Department of City and Regional Planning at Cal Poly, San Luis Obispo. The purpose of the study is to determine what options planners have in a troubled economy and any possible immediate or future effects.

You are being asked to take part in this study by completing the attached/enclosed questionnaire. Your participation will take approximately 10 minutes. Please be aware that you are not required to participate in this research and you may discontinue your participation

at any time without penalty. You may also omit responses to any questions that you would prefer not to answer.

The possible risks associated with participation in this study include the release of financially sensitive information. If you need additional clarification for any question, please contact Brian Spaunhurst at bspaunhu@calpoly.edu or 559-248-6457 for assistance.

Your responses will be provided anonymously to protect your privacy. Potential benefits associated with the study include the advancement of planning ideas and increased general well-being of the public.

If you have questions regarding this study or would like to be informed of the results when the study is completed, please feel free to contact Brian Spaunhurst at bspaunhu@calpoly.edu or 559-248-6457. If you have concerns regarding the manner in which the study is conducted, you may contact Dr. Steve Davis, Chair of the Cal Poly Human Subjects Committee, at (805) 756-2754, sdavis@calpoly.edu, or Dr. Susan Opava, Dean of Research and Graduate Programs, at (805) 756-1508, sopava@calpoly.edu.

If you agree to voluntarily participate in this research project as described, please indicate your agreement by completing and returning the attached questionnaire. Please retain this consent cover form for your reference, and thank you for your participation in this research.

Survey Questions

The following surveys were created for public agencies and private firms and have been approved by the California Polytechnic State University Human Subjects Committee.

Public Agency Survey:

- 1- How many members of your planning staff are currently Planner I?
- 2- Planner II?
- 3- Planner III?
- 4- Interns?

5- How many are part time?

6- Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)?

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- The city I work for is facing budget cuts or has recently.

8- Jobs of the planning staff are directly impacted due to financial issues (or have been recently).

9- The city I work for is considering utilizing private firms on a project basis in place of having a planning division.

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.

Private Firm Survey (California and National):

1- How many members of your staff are Assistant Planners?

2- Associate Planners?

3- Senior Planners?

4- Interns?

5- How many are part time?

6- Roughly what percentage of the work done by your firm is under contract with a city?

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- Budget cuts of our client cities have had a direct impact upon our firm.

8- Staff jobs in our firm are or have been at risk due to financial issues.

9- We are being utilized by a city as the main source of their planning services (or have been

recently).

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.

Survey Responses

Although the tables above summarize the survey results, some responses had special notes or multiple responses for the same questions. For consistent results some responses were taken under assumptions. The following are the original notes and responses to those that responded beyond the proposed survey.

Public Agency Responses

Response from City A:

Survey of Public Planning Agencies

1- How many members of your planning staff are currently Planner I? 1

2- Planner II? 1

3- Planner III? 3

4- Interns? 0

5- How many are part time? 2 (PIIIs)

6- Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)? 0

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- The city I work for is facing budget cuts or has recently. Y

8- Jobs of the planning staff are directly impacted due to financial issues (or have been recently). Y

9- The city I work for is considering utilizing private firms on a project basis in place of having a planning division. N

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. **N**

Response from City B:

Survey of Public Planning Agencies

- 1- How many members of your planning staff are currently Planner I? **One**
- 2- Planner II? **Two**
- 3- Planner III? **Two**
- 4- Interns? **None**
- 5- How many are part time? **None**
- 6- Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)? **None**

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

- 7- The city I work for is facing budget cuts or has recently. **Yes**
- 8- Jobs of the planning staff are directly impacted due to financial issues (or have been recently). **Yes**
- 9- The city I work for is considering utilizing private firms on a project basis in place of having a planning division. **No**
- 10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. **No**

Response from City C:

Survey of Public Planning Agencies

- 1- How many members of your planning staff are currently Planner I? – **2 (Assistant Planner)**
- 2- Planner II? – **5 (Associate Planner)**

3- Planner III? – **13 (Senior Planner) – includes 2 in Housing. We also have an additional 4 Senior Transportation Analysts.**

4- Interns? – **1 part time**

5- How many are part time? – **1 intern and 1 Assistant Planner in Housing.**

6- Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)? **We contract with a Transportation Analysis firm (4 people) for transportation modeling. We have in-house GIS staff (4 full time, 1 part time, and 1 part time intern).**

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- The city I work for is facing budget cuts or has recently.- **Yes**

8- Jobs of the planning staff are directly impacted due to financial issues (or have been recently). - **No**

9- The city I work for is considering utilizing private firms on a project basis in place of having a planning division. **No (but we do utilize independent contracted planners to supplement staff)**

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. - **No**

Response from City D

Survey of Public Planning Agencies

- 1- How many members of your planning staff are currently Planner I?
We have 2 assistant planners

2- Planner II?

We have 3 associate planners

3- Planner III?

We have 4 senior planners, two division supervisors (Principal Planners) and one Planning Manager. Plus the Planning Director, who also oversees other divisions.

4- Interns? We have 4 interns.

5- How many are part time? All are part time.

6- Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)? The landmarks planner and the design review planner.

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- The city I work for is facing budget cuts or has recently. Yes

8- Jobs of the planning staff are directly impacted due to financial issues (or have been recently). Yes

9- The city I work for is considering utilizing private firms on a project basis in place of having a planning division.

No, although we allow applicants to pay extra to hire an outside consultant to expedite their development projects.

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.

[REDACTED], Interim Planning Director
[REDACTED]
[REDACTED]

Planning Department Website: [REDACTED]

Response from City E:

Survey of Public Planning Agencies

1- How many members of your planning staff are currently Planner I?

Planner I is Associate Planner – 1

2- Planner II?

Planner II is Senior Associate Planner - 2

3- Planner III?

Planner III is Senior Planner – 1

We also have one Principal Planner and one Managing Principal Planner

4- Interns?

5- How many are part time?

None

6- Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)?

None are specifically contracted for unique services, however one Senior Associate Planner does GIS, SketchUp, AutoCAD and Historic Preservation for the Planning office

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- The city I work for is facing budget cuts or has recently. Yes

8- Jobs of the planning staff are directly impacted due to financial issues (or have been recently). Yes

9- The city I work for is considering utilizing private firms on a project basis in place of having a planning division. No

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. No, but I am available for discussion.

Response from City F:

Survey of Public Planning Agencies

1- How many members of your planning staff are currently Planner I?

The current planning staff is made up of the Director (Director of Development Services), Principal Planner, Senior Planner, Associate Planner, Housing Coordinator, and Planning Intern. One vacant position (Historic Preservation Manager) is in the process of being filled.

2- Planner II?

See #1

3- Planner III?

See #1

4- Interns?

See #1

5- How many are part time?

The Planning Intern position is the only part time position on staff.

6- Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)?

The City has a GIS Specialist position for all mapping issues. Each full time member of the planning staff does provide a unique service:

- Director- Secretary for City Council meetings
- Principal Planner- Secretary for Planning Commission meetings
- Senior Planner- Secretary for Design Review Committee meetings
- Associate Planner- Secretary for Development Advisory Board meetings
- Housing Coordinator- Secretary for Housing Authority Board meetings
- Historic Preservation Manager- Secretary for Cultural Heritage Commission meetings

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- The city I work for is facing budget cuts or has recently.

Yes

8- Jobs of the planning staff are directly impacted due to financial issues (or have been recently).

Yes

9- The city I work for is considering utilizing private firms on a project basis in place of having a planning division.

No, however, outsourcing is an option for filling the Historic Preservation Manager position.

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.

No

Response from City G:

Survey of Public Planning Agencies

1- How many members of your planning staff are currently Planner I? None

2- Planner II? We have 1 Associate Planner, which is about the same title and responsibilities as Planner II.

3- Planner III? None. We have a “City Planner/Planning Manager” position which is about the same as Principal Planner, which I think is above “Planner III”.

4- Interns? None

5- How many are part time? None, all full time.

6- Of your planning staff, how many are contracted for unique services (GIS, Modeling, etc.)? None, all in-house staff.

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- The city I work for is facing budget cuts or has recently. Yes, the overall city staff has been reduced by 36%, however this occurred only through attrition (e.g. resignations, retirements, etc.) no layoffs.

8- Jobs of the planning staff are directly impacted due to financial issues (or have been recently). Yes, we have less staff (3 positions reduced) to do the same work.

9- The city I work for is considering utilizing private firms on a project basis in place of having a planning division. Not at this time for regular projects, however we do have a very unique/controversial/complex under contract with a private firm.

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. [Not interested.](#)

Private Sector Responses

Response from Firm A:

Survey of Private Sector Planners

1- How many members of your staff are Assistant Planners?

■■■ does not classify our staff as Assistant, Associate or Senior Planners per say, which is more of a public sector classification system. ■■■ staff with 0 - 3 years of experience are classified as Associates (I & II), staff with 3 - 5 years of experience are classified as Senior Associates (I & II), staff with 5 - 10 years of experience are classified as Managing Associates/Senior Managing Associates and staff with group management responsibilities are classified as either Program Managers or Business Group Directors. Senior management classifications include Regional Directors and Practice Leaders. ■■■ has a current staff size of 345, of which 30 are classified as Associates, which is comparable to an Assistant Planner position in the public sector.

2- Associate Planners?

This position would be similar to our Senior Associate classification (35)

3- Senior Planners?

This position would be similar to our Managing Associate classification (50)

4- Interns?

This number is always in flux – we currently have 4 interns spread throughout our 6 regions.

5- How many are part time?

Approximately 20% of our staff are classified as part-time (less than 40 hours per week). Many of these are field personnel that only work when we have field work in their discipline (biology, archaeology, etc.), although several work part-time by desire to accommodate personnel schedule considerations.

6- Roughly what percentage of the work done by your firm is under contract with a city?

Approximately 70% of [REDACTED] work is for the public sector (federal and state agencies, cities, counties, special districts, etc.) and 30% is for the private sector. This workload split changes over time and with the economy, although [REDACTED] predominantly works for public sector clients. For example, [REDACTED] did a lot more work directly for private developers prior to the housing market crash. Out of all of our public sector work, approximately 50% is for cities located in California, Oregon, Washington and Florida. You should keep in mind that a large percentage of the work the we do for public sector clients (including cities) is for projects that are proposed by private sector applicants, so the actual classification of the type of work may be different depending on which agency you are working for. Some agencies allow consultants to work directly for applicants and some do not.

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- Budget cuts of our client cities have had a direct impact upon our firm.

No, not really to speak of. Our work backlog has continued to grow through the recession. The recent California Supreme Court decision to eliminate redevelopment agencies throughout the state has resulted in several of our contracts being cancelled, but it is not a significant percentage of our overall workload. A lot of our work that we do for cities is funded through money deposited by the project applicants to cover the cost of planning and environmental review.

8- Staff jobs in our firm are or have been at risk due to financial issues.

We have made some limited staffing adjustments in response to economic conditions in a particular region or practice area where workload may be down. These adjustments have mostly been in the form of hours reductions and not layoffs. [REDACTED] hired over 80 staff in 2011. This is not the case for many consulting firms, as they have been more directly affected by the residential and commercial slowdown.

9- We are being utilized by a city as the main source of their planning services (or have been recently).

[REDACTED] provides very limited staff service outsourcing to public agencies, as this is not part of our business model. We do from time to time supply staff resources to a public agency on a limited basis to assist with particular project or program. For example, we are currently supplying a few staff to the Bureau of Land Management (BLM) in the Coachella Valley for large scale solar projects and to the Caltrain office in San Francisco to assist with environmental review.

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.

I'd be happy to further discuss any if these responses.

Responses from Firm B:

Survey of Private Sector Planners

1- How many members of your staff are Assistant Planners? 0

2- Associate Planners? 2

3- Senior Planners? 2

4- Interns? 0

5- How many are part time? 1

6- Roughly what percentage of the work done by your firm is under contract with a city? 5%

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- Budget cuts of our client cities have had a direct impact upon our firm. no

8- Staff jobs in our firm are or have been at risk due to financial issues. yes

9- We are being utilized by a city as the main source of their planning services (or have been recently).
no

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. Probably don't have much worthwhile to add as you can see from the replies above.

Good luck.

Responses from Firm C:

Survey of Private Sector Planners

- 1- How many members of your staff are Assistant Planners? 2
- 2- Associate Planners? 3
- 3- Senior Planners? 4
- 4- Interns? 0
- 5- How many are part time? 2
- 6- Roughly what percentage of the work done by your firm is under contract with a city? 50%
under contract to either city or county or other public entity *(agency).

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

- 7- Budget cuts of our client cities have had a direct impact upon our firm. yes
- 8- Staff jobs in our firm are or have been at risk due to financial issues. yes
- 9- We are being utilized by a city as the main source of their planning services (or have been recently). yes
- 10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.

Response from Firm D:

Survey of Private Sector Planners

- 1- How many members of your staff are Assistant Planners? 2
- 2- Associate Planners? 16

3- Senior Planners? 23

4- Interns? 0

5- How many are part time? 4

6- Roughly what percentage of the work done by your firm is under contract with a city? – 50% City, 25% County or other local or regional government agency, 25% private

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- Budget cuts of our client cities have had a direct impact upon our firm. - Yes

8- Staff jobs in our firm are or have been at risk due to financial issues.- Yes

9- We are being utilized by a city as the main source of their planning services (or have been recently). - No

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. - I'd be happy to be interviewed if you feel it would help you.

Response from Firm E:

Survey of Private Sector Planners

provides multi-disciplinary land use and environmental planning services. As planners and environmental analysts, we are active in all aspects of community development, land use planning, and public involvement. As technical specialists, we provide expertise in transportation, air quality, global climate change, noise, biological resources, water quality, and cultural resources. currently has 216 permanent employees in 10 California offices,

■■■■■ staff classifications for planners start with assistant, progressing to planner, senior planner, Associate and Principal. The planner category also includes environmental and transportation planners. The following specific responses to your questions will be provided as best we can for planners throughout our entire company (and not just for the Berkeley office).

1- How many members of your staff are Assistant Planners? 3

2- Associate Planners? 11 + 14 staff at “Principal” level, total 25

3- Senior Planners? 12 + 10 staff at “planner” level, total 22

4- Interns? 0

5- How many are part time? 6

6- Roughly what percentage of the work done by your firm is under contract with a city? 30%

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- Budget cuts of our client cities have had a direct impact upon our firm. Yes. Even before the elimination of Redevelopment agencies, planning departments were experiencing cutbacks of from 20 to 50 percent over 3-4 years.

8- Staff jobs in our firm are or have been at risk due to financial issues. No. Jobs at our firm have been at risk due to the national and worldwide economic collapse, but our own finances have been stable as a result of what the Principals group has learned during 4-5 previous recessions over the 35+ years we’ve been in business.

9- We are being utilized by a city as the main source of their planning services (or have been recently). No. We only do limited contract planning work.

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. [I would be willing to undergo an interview as part of this research project. Please email me to set-up a date/time.](#)

[REDACTED]
Managing Principal
Berkeley Office
[REDACTED]

Response from Firm F:

Survey of Private Sector Planners

I'm going to respond just for our California office although we have a larger planning staff in our [REDACTED] office....

1- How many members of your staff are Assistant Planners? **1**

2- Associate Planners? **1**

3- Senior Planners? **1**

4- Interns? **0**

5- How many are part time? **0**

6- Roughly what percentage of the work done by your firm is under contract with a city? **50%-75% depending on any given time.**

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- Budget cuts of our client cities have had a direct impact upon our firm. **yes**

8- Staff jobs in our firm are or have been at risk due to financial issues. **yes**

9- We are being utilized by a city as the main source of their planning services (or have been recently). **yes**

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence. **It would be best to call [REDACTED], our senior planner.**

National Private Planning Firm Responses

Response from National Firm A:

Survey of Private Sector Planners

National Private Planning Firm A is a multi-disciplined firm offering architecture, planning, engineering, surveying and interior design. We have a staff of 135 with offices in Ohio, PA, MI, IL, CA and NV. Our corporate office is in [REDACTED]. We have five divisions: Planning, Transportation, Environmental Engineering, Integrated Facilities (Architecture and structural engineering) and Survey.

1- How many members of your staff are Assistant Planners?

0- Ass't Planners

2- Associate Planners?

5- Assoc. Planners

3- Senior Planners?

3- senior planners (all AICP)

4- Interns?

0 in Plng Dept., 3-4 in Architecture/Engineering Divisions

5- How many are part time?

4- parttime

6- Roughly what percentage of the work done by your firm is under contract with a city?

In Planning about 85%, for rest of firm about 45%

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- Budget cuts of our client cities have had a direct impact upon our firm. Yes

8- Staff jobs in our firm are or have been at risk due to financial issues. Yes

9- We are being utilized by a city as the main source of their planning services (or have been recently).
Yes, moreso with our Michigan clients.

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues.
Please reply to set up an interview or correspondence. Yes.

AICP

Responses from National Firm B:

Survey of Private Sector Planners

Note, I will answer this based on the National Private Planning Firm B Boston office only. Please note that we have over 350 planners nationwide in our firm.

1- How many members of your staff are Assistant Planners. 2

2- Associate Planners? 4

3- Senior Planners? 4

4- Interns? 0

5- How many are part time? 2

6- Roughly what percentage of the work done by your firm is under contract with a city? Very small. Most of our work is done for large State transportation authorities.

Please answer the following questions with a yes or no. If you wish you may specify in greater detail.

7- Budget cuts of our client cities have had a direct impact upon our firm. No.

8- Staff jobs in our firm are or have been at risk due to financial issues. Yes, but more based on State budgets

9- We are being utilized by a city as the main source of their planning services (or have been recently). No, but one city has approached us to provide such a service. Wee probably will decline.

10- I am interested in discussing my thoughts and opinions in greater detail regarding these issues. Please reply to set up an interview or correspondence.

Yes, a telephone conversation would be better as your questions are very general.



Follow Up Interviews via E-Mail:

In the interest of time and convenience, I asked some follow up questions to survey participants that indicated an interest in further discussion.

Below is a copy of the questions I asked followed by copies of responses. Like the survey responses, interview responses have also been made anonymous.

Questions:

Thank you for your participation! I have some follow up questions if you don't mind, please feel free to decline to answer any if you don't feel comfortable releasing information. There is one detail that I ask you do respond to and it is listed as number one. Thank you for your time!

1. The consent form that was originally sent to you (another copy is attached for your reference) indicated that your responses will be anonymous. For clarification it is necessary to inform you that your firm name will be indicated with your responses. I you wish to not have your firm name indicated with your responses please let me know so that I can make them anonymous. If I don't receive a response from you I will make your firm name anonymous by default.

2. Do you feel the current economy presents the opportunity to fully replace public agency planning departments with privatized planning services?

3. What are some barriers that can prevent public agencies from privatizing planning services?

4. In your opinion, what do you feel are the major differences between public sector planning and private sector planning? What are the characteristics that might make one superior to the other?

5. As society develops in the future, do you feel there will always be a need for both public and private sector planners?

Thank you for your participation! I have some follow up questions if you don't mind, please feel free to decline to answer any if you don't feel comfortable releasing information. There is one detail that I ask you do respond to and it is listed as number one. Thank you for your time!

Responses:

Response from Private Firm A:

1. The consent form that was originally sent to you (another copy is attached for your reference) indicated that your responses will be anonymous. For clarification it is necessary to inform you that your firm name will be indicated with your responses. If you wish to not have your firm name indicated with your responses please let me know so that I can make them anonymous. If I don't receive a response from you I will make your firm name anonymous by default. It's fine to list [REDACTED].

2. Do you feel the current economy presents the opportunity to fully replace public agency planning departments with privatized planning services? No – That would be a very difficult task to implement, as you do need a staff at the local agencies to set the priorities based on City Council or County Board of Supervisors policy and at least one individual should be an employee of the agency. Replacing staff with contract employees does happen fairly frequently and seems to work fairly well.

3. What are some barriers that can prevent public agencies from privatizing planning services? Unions, unfounded perceptions about additional cost associated with the private sector and the fact that agency employees do not have to consider their real overhead when they compare consultant costs to public employee costs. In general, public planning staff are much more expensive than private sector planners, when all costs are factored in.

4. In your opinion, what do you feel are the major differences between public sector planning and private sector planning? What are the characteristics that might make one superior to the other? There are several differences, and they are both serve important and different functions. Like any industry or public agency, there are very good staff and not so good staff on both sides. The primary difference is that agency planners generally operate on the

regulatory/policy setting side of the equation with private sector planners primarily assisting applicants and agencies with achieving a particular set of project or program goals and objectives. Public planners, whether it's attributable to budget issues or something else, generally are doing less of the actual day to day work over time, and consult out to the private sector for everything from the development of General Plans and Zoning Codes to sustainability programs and CEQA documents. So in that sense, public planners spend a good deal of their time brokering out planning work and managing the consultants, instead of actually doing the work.

5. As society develops in the future, do you feel there will always be a need for both public and private sector planners?

Yes – Definitely.

Responses from Private Firm D:

Hi Brian,

Below are my responses:

1. Please do not attribute any of my information to me or my company.
2. No
3. The intent of this question is not clear to me. In an effort to provide some responses, the following are some potential "barriers": union activity; loss of operational benefit of having a fully integrated department function; long term departmental knowledge.
4. While there certainly are specialty areas within both sectors, I feel there is significant overlap in skills and perspective in both sectors. In addition, I feel that the work of planners from both sectors is required for optimal healthy contribution of the profession to our communities and society on the whole. I don't feel either sector is "superior". Both sectors provide essential contributions.
5. Yes

Good luck in your studies!

Response from Private Firm E:

1. The consent form that was originally sent to you (another copy is attached for your reference) indicated that your responses will be anonymous. For clarification it is necessary to inform you that your firm name will be indicated with your responses. If you wish to not have your firm name indicated with your responses please let me know so that I can make them anonymous. If I don't receive a response from you I will make your firm name anonymous by default.

2. Do you feel the current economy presents the opportunity to fully replace public agency planning departments with privatized planning services?

Assuming that your readers understand that, for over 20 years now, planning and analysis under the California Environmental Quality Act (CEQA) has been supplanting (what those of us over 50 think of as) traditional municipal planning, then no I don't think that public agency planning departments can shrink much further than they already have. The roles played by our municipal planner clients these days are so limited that they would seem to constitute assignments that would have to be carried out by City employees.

3. What are some barriers that can prevent public agencies from privatizing planning services?

Specific local knowledge? Physical proximity to senior staff and appointed/elected decision makers?

4. In your opinion, what do you feel are the major differences between public sector planning and private sector planning? What are the characteristics that might make one superior to the other?

I've been in the private sector – by choice – for 32 years, so my bias needs to be acknowledged right from the start. Before you even read my answers, allow me to emphasize also that I'm going to be generalizing hugely here. I've known planners from both sectors who possess none of their own sector's prototypical characteristics and all of the other sector's. But in general terms here are the characteristics of each as I've experienced them. I would not, however, characterize one as superior to the other; each has a different role to play, and those roles encourage most of the prototypical behaviors or characteristics that are listed below

Characteristics of Public Sector Planning Agencies and Staff

Security

40-hr work week, mostly M-F 9-5

Moderate pace of work

Careful to not make big mistakes

Mediocre work tolerated

Follows rules

Works inside-the-box

Higher pay in earlier years of career

Ridiculous unfunded pensions and health care

Must fit into pre-designed bureaucracy

Willy Loman (*Death of a Salesman*)

Characteristics of Private Sector Planning Agencies and Staff

Challenge

Wildly fluctuating schedules
Intense pace of work
Willing to take bigger risks
Mediocre work not tolerated
Bases decisions on principles or themes
Searches for new approaches or methods
Lower pay in earlier years of career
Sustainable deferred compensation elements
Can design own niche within the industry
Howard Roark (*The Fountainhead*)

5. As society develops in the future, do you feel there will always be a need for both public and private sector planners?

Yes. But whether the taxpaying public will be willing to fund this municipal function is something that I am concerned about. Generally, public sector planners have painted themselves into such a high-cost box (especially where these positions are unionized) that municipal management and the public see that private sector provision of at least some planning functions is a much more cost-effective approach.

Response from National Firm A:

1. The consent form that was originally sent to you (another copy is attached for your reference) indicated that your responses will be anonymous. For clarification it is necessary to inform you that your firm name will be indicated with your responses. If you wish to not have your firm name indicated with your responses please let me know so that I can make them anonymous. If I don't receive a response from you I will make your firm name anonymous by default.

[You can use our firm's name with my responses.](#)

2. Do you feel the current economy presents the opportunity to fully replace public agency planning departments with privatized planning services?

[The current economy enables private firms to do more planning work but only in rare circumstances will private firms replace planning agencies or the required planning work. Some of the planning work is specifically called for in the community's charter and in state laws. Many communities have cut back on their staff and/or placed the planning depts/staff in other departments](#)

3. What are some barriers that can prevent public agencies from privatizing planning services?

[Their community charters and state laws.](#)

4. In your opinion, what do you feel are the major differences between public sector planning and private sector planning? What are the characteristics that might make one superior to the other?

Don't know whether any one entity, public or private, is superior over the other. In public agencies there are more political issues and nuances associated with planning such as yearly budgets, zoning issues, development decisions, working with elected officials, etc. Additionally, many public agencies have a unionized work force that may present challenges during hard times such as layoffs based on seniority rather than skills or qualifications. Planning departments and parks and recreation depts are usually the first casualties when cutbacks are contemplated.

Private sector planning is project oriented with specific timeframes and costs. Many private firms augment the work of the public planning staff, e.g. updating master plans, zoning codes, subdivision regs, drafting overlay districts, historic zoning ordinances, special studies, etc. In Michigan, private firms are retained by communities to act as their planning staff and/or to augment their staff on current planning issues (zoning and development review). Advantages of private firms are that they are project oriented and can spend all of their time on that particular project until it is finished. Private firms are not unionized and staffing levels are dictated by the availability of work. Also, private firms are only as good as their work since most all of the work of private firms is obtained through a competitive process (procurement). This aspect is a major driving force to do good work that is on time and at budget. It also encourages and promotes professional certifications (AICP, LEED AP, etc) of staff and ongoing continuing education of staff on relevant planning issues and strategies.

5. As society develops in the future, do you feel there will always be a need for both public and private sector planners?

Yes, absolutely. Many planners are employed in state and federal agencies as well as with utility companies and educational institutions. Many national intermediaries such as LISC, Neighborworks, USA and the Enterprise Fdn employ planners as community development specialists.

Response from National Firm B:

1. The consent form that was originally sent to you (another copy is attached for your reference) indicated that your responses will be anonymous. For clarification it is necessary to inform you that your firm name will be indicated with your responses. If you wish to not have your firm name indicated with your responses please let me know so that I can make them anonymous. If I don't receive a response from you I will make your firm name anonymous by default.

Do not use my firm name. Thank you.

2. Do you feel the current economy presents the opportunity to fully replace public agency planning departments with privatized planning services?

No. There is a role for public planning agencies to represent a community's interests; probably better than private interests.

3. What are some barriers that can prevent public agencies from privatizing planning services?

Unions. Lack of trust of the private sector. Cost.

4. In your opinion, what do you feel are the major differences between public sector planning and private sector planning? What are the characteristics that might make one superior to the other?

Public sector planning may be unimaginative and stale, not knowing what is going on elsewhere and what works better. It also is controlled by politics...good and bad. Private sector planning works in many different locales and can bring this broader knowledge to a community. On the other hand public planning knows the locale better and who the decision makers are.

5. As society develops in the future, do you feel there will always be a need for both public and private sector planners?

Yes.

Appendix C: Links for Privatization Information

In his book "Cities and Privatization: Prospects for the New Century" Jeffrey D. Greene has provided a excellent list of internet resources regarding privatization. His list includes major sites that both favor and oppose privatization. This is great resource for researching privatization and can assist in both learning about privatization and determining if it is an option that local governments might like to pursue.

The Reason Foundation

A site dedicated to promoting privatization at all levels of government. The site includes numerous studies and commentary about privatization.

<http://www.reason.org>

The Reason Foundation's Public Policy Institute

A site dedicated to increasing the use of the private sector in a wide variety of policy matters. The site includes many resources about privatization.

<http://www.rppi.org>

Privatization.com

A Web site that includes an extensive database about privatization that includes trends, cost savings, and a variety of case studies. The Reason Foundation also maintains this site.

<http://www.privatization.com>

American Federation of State, County, and Municipal Employees

This is the Web page for one of the largest public employee unions in the nation. It includes extensive material and case studies about privatization failures. The site also includes the latest

on-line version of "Government for Sale", which includes many cases of disappointing results that have occurred with privatization.

<http://www.afscme.org>

The Canadian Union of Public Employees

This public-employee union site opposes the use of privatization and includes an anti-privatization database with examples of privatization failures.

<http://www.cupe.ca/private.html>

The Public Policy Connection Privatization Page

A listing of numerous privatization resources available on the Internet, both in favor of and against the use of privatization.

<http://members.aol.com/Adriantm/privitin.htm>

National Center for Policy Analysis

A Web site that includes extensive information about public policy, including privatization at all levels of government. The site includes numerous studies and other resources.

<http://www.ncpa.org>

CATO Institute

A libertarian institute that includes numerous articles and resources about privatization. Because the CATO Institute includes mostly policy areas, simply type in "privatization" on the site's search feature to access numerous articles and studies.

<http://www.cato.org>

The Pacific Research Institute

A public policy institute that focuses on many policies, including privatization.

<http://www.pacificresearch.org>

The Reason Foundation Privatization Link Page

This page includes links to numerous public-policy institutes.

<http://www.reason.org/links.html>

The National Council for Public-Private Partnerships

A site that represents both the public and private sectors and promotes cooperative public-private ventures.

<http://www.ncppp.org>

Privatization.org Web Links Page

This is the link to the Reason Foundation's privatization links to organizations. This is not the same page or links provided on their main Web site of the Reason Foundation's Home Page. When one reaches the site, click "Privatization on the WWW." The list of links is extensive.

<http://www.privatization.org>

The Alliance for Redesigning Government

This Web site, which is part of the National Academy of Public Administration, has many resources and studies about privatization. One must use their search engine to locate their privatization page. Simply type "privatization" into their search feature.

<http://www.alliance.napawash.org>

Cornell University's Cooperative Extension Service

The site maintained by Cornell University provides a rich database on privatization that includes articles, studies, and abstracts of most major studies. Use their search engine to locate privatization materials.

<http://www.cce.cornell.edu>

The following are links that I have found useful in researching planning job trends and privatization of planning:

Bureau of Labor Statistics

This site provided statistics on current and past trends in a number of industries. Specifically, planning can be viewed by visiting the following address for statistics on 2010 (The latest statistics as of Feb. 2012):

<http://www.bls.gov/oes/current/oes193051.htm>

For trend comparisons, statistics for 2009 can be found at:

<http://www.bls.gov/oes/2009/may/oes193051.htm>

American Planning Association Consultant List

APA has an extensive list of private firms that also indicates where they are located in the nation and how many employees are on staff as well as how many on staff are professional planners and AICP certified.

<http://www.planning.org/consultants/find.htm>

American Planning Association Choosing a Consultant

This section on the APA website includes an excerpt from: *Selecting and Retaining a Planning Consultant: RFPs, RFQs, Contracts, and Project Management* by Eric Damian Kelly, FAICP. It provided information on reasons to consider a private firm and how to hire one.

<http://www.planning.org/consultants/choosing/>